

## Budget Change Proposal - Cover Sheet

DF-46 (REV 08/15)

Fiscal Year 2017	Business Unit <del>1110</del> 1111	Department Consumer Affairs	Priority No. 1
Budget Request Name <del>1110-010-BCP-BR-2016-GB</del> 1111		Program 1225 - COURT REPORTERS BOARD	Subprogram 1225010 - COURT REPORTERS BOARD - SUPPORT

Budget Request Description  
Occupational Analysis

## Budget Request Summary

The Court Reporters Board of California (Board) requests a special fund budget augmentation of \$53,000 in FY 2016-17 and \$47,000 in FY 2017-18 to fund an occupational analysis for the Board's English, Professional Practice, and Machine Skills licensing exams. The occupational analysis is needed to create a question bank that is reflective of current court reporting knowledge and practices. This proposal is consistent with the Board's mission of protecting consumers from incompetent practitioners by developing and administering a competency test for licensure.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No  
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Joanne K. Jensen</i>	Date 8-28-15	Reviewed By <i>Michael O'Neil</i>	Date 8-28-2015
Department Director <i>Mary Rhens for</i>	Date 8-31-15	Agency Secretary <i>Amash. Sablier</i>	Date 9-1-15

## Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

P Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Original signed by Jeff Carosone	Date submitted to the Legislature 1-7-16
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# BCP Fiscal Detail Sheet

BCP Title: Court Reporters Board: Occupational Analysis

DP Name: 1111-010-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - Interdepartmental	0	53	47	0	0	0
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$53</b>	<b>\$47</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$53</b>	<b>\$47</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Fund Summary

Fund Source - State Operations						
0771 - Court Reporters Fund	0	53	47	0	0	0
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$53</b>	<b>\$47</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$53</b>	<b>\$47</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Program Summary

Program Funding						
1225010 - Court Reporters Board of California - Support	0	53	47	0	0	0
<b>Total All Programs</b>	<b>\$0</b>	<b>\$53</b>	<b>\$47</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Analysis of Problem

### A. Budget Request Summary

The Court Reporters Board of California (Board) requests a special fund budget augmentation of \$53,000 in FY 2016-17 and \$47,000 in FY 2017-18 to fund an occupational analysis for the Board's English, Professional Practice, and Machine Skills licensing exams. The occupational analysis is needed to create a question bank that is reflective of current court reporting practices. This proposal is consistent with the Board's mission of protecting consumers from incompetent practitioners by developing and administering a competency test for licensure. An occupational analysis is typically performed every five to seven years in order to ensure that the license exam is testing for relevant skills and knowledge. The occupational analysis the Board is currently using was finished in 2010.

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### B. Background/History

The Court Reporters Board licenses shorthand reporters (more commonly known as court reporters in the state of California) and is required to protect consumers by: administering a minimum-level competency test, regulating the minimum curriculum that court reporting schools and programs must offer, and engaging in enforcement actions when deemed necessary. In addition, the Board administers the Transcript Reimbursement Fund (TRF) which reimburses Certified Shorthand Reporters (CSRs) for providing transcripts to indigent civil litigants.

Since the Board's inception, it has issued 14,034 licenses. Of this population, approximately 7,300 have current licenses. In the profession, licensees are known as either "officials," who work in court, or "freelance," who work through court reporting agencies and report mostly depositions and in civil courtrooms where reporters are no longer provided. It is the Board's responsibility to ensure that licensing requirements, including examination standards, are appropriate and reflective of the established and authorized practices of CSRs in the state. This is accomplished by ongoing evaluation and review of its examination licensing prerequisites.

Section 8020 of the Business and Professions Code (BPC) establishes the Board's authority to develop an exam specific to standards per California's statutes and regulations. The Board also has the authority to administer the licensure exams, as well as the responsibility to ensure that the exams are fair, reliable, and valid. Thirdly, the BPC authorizes the Board to determine the appropriate format of the required examination and to set the passing score. The Board administers the three-part exam, three times a year, of which approximately 1,350 total exams are given.

It is the Board's responsibility to ensure that the examinations' questions are timely and relevant by conducting an occupational analysis on a regular basis. Historically, the Board has updated the occupational analysis approximately every five years, per the recommendation given by Department of Consumer Affairs (Department) Office of Professional Exam Services (OPES) and private testing companies.

In FY 2005-06, the Board received funding in a BCP for OPES to perform an occupational analysis for the Board's exams as a prerequisite to ensure that the Board's licensing exams were both legally defensible and relevant to current court reporter practices. The results of this occupational analysis were incorporated into the Board's exam content in FY 2009-2010. The current exams do not reflect any updated practices that were put in place in the last six years.

Professional examinations, like other licensing prerequisites, must be evaluated routinely in order to determine whether the existing examination contains content that still effectively assesses the knowledge and skills of a potential licensee. It is OPES' recommendation to conduct exam validation studies every three to seven years, with a recommended standard of five years. In the past, the



## Analysis of Problem

occupational analysis has been done closer to the seven-year point. However, the industry has experienced a tremendous change over the last three years as the majority of courts have opted to not provide court reporters in civil courtrooms. This change means that attorneys and litigants need to arrange for private court reporters to be present in court and report the proceedings. Instead of the same relatively small pool of official reporters, those hired and provided by the court to cover court proceedings, now there are hundreds more private reporters available. An updated occupational analysis is necessary to ensure that the skills and knowledge being tested is actually reflective of what is needed in today's growing marketplace. It is essential that a new exam plan be developed as soon as possible in order to ensure that newly licensed court reporters possess the basic skills and knowledge to take on the work of this new dynamic.

**Resource History**  
(Dollars in thousands)

<b>Program Budget</b>	<b>PY - 4</b>	<b>PY - 3</b>	<b>PY - 2</b>	<b>PY - 1</b>	<b>PY</b>
Authorized Expenditures	\$770	\$790	\$765	\$887	\$978
Actual Expenditures	\$747	\$772	\$713	\$869	\$865
Revenues	\$891	\$1,002	\$992	\$1,273	\$951
Authorized Positions	4.5	4.5	4.5	5.0	5.0
Filled Positions	4.3	4.5	4.5	5.0	5.0
Vacancies	0.2	0.0	0.0	0.0	0.0

### C. State Level Considerations

According to the Department, the Examination Validation Policy (referenced as the "Policy"), published on September 30, 1999, all licensing boards are required to establish job-relatedness of licensing examinations and apply examination standards consistent with the Policy. The examination validation studies or occupational analyses "should be conducted every three to seven years, with a recommended standard of five years."

The Board has acknowledged the need to test those entering the court-reporting field in its 2015-2018 Strategic Plan, giving it high priority in the goal area of Professional Qualifications. The Board is also required by statute to update its exams periodically to ensure their validity. The Board's mission is to protect the public by ensuring the integrity of judicial records through oversight provided by the court reporting profession. The Board carries out this mission by testing, licensing and disciplining court reporters and by recognizing the schools of court reporting that meet state curriculum standards.

### D. Justification

Conducting the occupational analysis, will ensure that the examinations contain content that still effectively assesses the knowledge and skills of potential licensees. Without the budget augmentations, the Board cannot fund the occupational analysis because the Board's appropriation and expenditure levels will not sufficiently cover the funding needs for the performance of the occupational analysis.

In order to ensure that the licensing examinations required of CSR applicants are relevant, fair and legally defensible, it must be based on actual professional duties. An occupational analysis defines the practice of a profession in terms of the professional tasks performed and the knowledge, skills, and abilities required to perform such professional duties.

As the last occupational analysis was completed in FY 2009-10, by beginning the occupational analysis procedure in FY 2016-17, the Board will be just within the sixth of the seven year limit. The Board would enter into an interagency contract with OPES to facilitate and validate the occupational analysis. The process begins with OPES convening a two-day workshop with subject matter experts in order to develop a comprehensive survey to be sent to a representative sampling of licensees. OPES gathers the data from the surveys and then convenes additional workshops with subject matter experts. These



## Analysis of Problem

focus groups are tasked with reviewing and evaluating the represented practical activities and knowledge areas to determine whether the content areas covered in the practice analyses are congruent with professional practices in California. The data gathered from the surveys are used by the focus groups to determine whether topics covered on the examinations are relevant to practice in California. The OPES would prepare final reports regarding the outcome of the studies and would address the validity of the examinations for shorthand reporters. Additionally, OPES would develop an updated exam plan based on the occupational analyses, which forms the basis of the license examinations.

### E. Outcomes and Accountability

The Board's next Sunset Review will take place prior to its sunset date of January 1, 2017. Upon completion of the examination validation study process, reports will be presented. The reports are prepared by OPES and provided to the five Board members who review the reports and consider whether the report should be adopted as Board documents. The reports are distributed to professional associations and are available to the public upon request. Through careful budget tracking and reconciling of invoices, the resources will be monitored and accounted for.

### F. Analysis of All Feasible Alternatives

Alternative 1: Augment the Board's budget by \$53,000 in FY 2016-17 and \$47,000 in FY 2017-18 to complete the occupational analysis of the practice of CSRs for the Board's English, Professional Practice and Skills license examinations.

Pros: It would allow the Board to make current the occupational analysis and resulting examination plan, as mandated by BPC 139 and examination development.

Cons: Increasing staff levels will lead to the need for additional funding and an increase in expenditures for the Board.

Alternative 2: Maintain status quo.

Pros: It will maintain the Boards' fund condition.

Cons: This solution compromises the Board's consumer protection mandates. The Board does not have adequate funding to support the proposed occupational analysis.

Alternative 3: Redirect existing resources.

Pros: It will maintain the Boards' fund condition.

Cons: Redirection of funds from other programmatic areas of the Board's budget to fortify the occupational analysis is not feasible as there are no savings within the Board's existing resources. This alternative would deplete other program funding and would require the Board to cease providing core licensing and enforcement services. As a result of this alternative, the Board would neglect to fulfill the proposed goals and objectives outlined in the Board's 2015-18 Strategic Plan and would be in violation of statutes establishing its duties.

Alternative 4: Do an occupational analysis every eight years.

Pros: It will maintain the Boards' fund condition.

Cons: By waiting more than seven years to do an occupational analysis, exams will no longer be reflective of the skills and knowledge of what is needed in today's marketplace of court reporting services. It is essential that a new exam plan be developed as soon as possible in order to ensure that newly licensed court reporters possess the basic skills and knowledge to take on the work provided by attorneys and courts.

## Analysis of Problem

### G. Implementation Plan

The implementation plan for the proposal is to contract with the Department's OPES in fall 2016 for examination validation services. The OPES will produce a final report regarding the Board's examination requirements as a condition of licensure for CSRs.

MAJOR PROJECT EVENTS	PROPOSED DATE FY 2016-17, 2017-18
1. Review Background Information	January 2017
2. Develop Job Content and Structure	January 2017
3. Review Tasks and Knowledge (First Workshop)	February 2017
4. Review Tasks and Knowledge (Second Workshop)	February/March 2017
5. Construct Questionnaire	March 2017
6. Distribute Questionnaire	
A. Pilot Study	March/April 2017
B. Final Questionnaire	March/April 2017
7. Prepare Data for Analysis	April/May 2017
8. Data Analysis	July 2017
9. Review Survey Results	September 2017
10. Submit Validation Report	December 2017

### H. Supplemental Information

None

### I. Recommendation

Alternative 1 provides the Board with sufficient resources to conduct the occupational analysis and thus comply with established government mandates regarding the Board's licensing programs.



# 0771 - Court Reporters Board Analysis of Fund Condition

(Dollars in Thousands)

8/28/2015

## 2015 Budget Act

	ACTUALS 2014-15	CY 2015-16	BY 2016-17	BY +1 2017-18
<b>BEGINNING BALANCE</b>	\$ 1,137	\$ 1,138	\$ 988	\$ 773
Prior Year Adjustment	\$ 3	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,140	\$ 1,138	\$ 988	\$ 773

## REVENUES AND TRANSFERS

### Revenues:

125600	Other regulatory fees	\$ 10	\$ 10	\$ 10	\$ 10
125700	Other regulatory licenses and permits	\$ 38	\$ 38	\$ 38	\$ 38
125800	Renewal fees	\$ 881	\$ 881	\$ 881	\$ 881
125900	Delinquent fees	\$ 19	\$ 19	\$ 19	\$ 19
141200	Sales of documents	\$ -	\$ -	\$ -	\$ -
142500	Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -
150300	Income from surplus money investments	\$ 3	\$ 3	\$ 2	\$ 2
150500	Interest Income From Interfund Loans	\$ -	\$ -	\$ -	\$ -
160400	Sale of fixed assets	\$ -	\$ -	\$ -	\$ -
161000	Escheat of unclaimed checks and warrants	\$ -	\$ -	\$ -	\$ -
161400	Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
	Totals, Revenues	\$ 951	\$ 951	\$ 950	\$ 950

### Transfers to Other Funds

FO0001 GF loan repayment

### Transfers to Other Funds

T00001 GF loan per Item 1520-011-0771, BA of 2003  
T00410 TRF per B&P Code Section 8030.2

### Totals, Revenues and Transfers

### Totals, Resources

\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ 951	\$ 951	\$ 950	\$ 950
\$ 2,091	\$ 2,089	\$ 1,938	\$ 1,723

## EXPENDITURES

### Disbursements:

0840	State Controller (State Operations)	\$ -	\$ -	\$ -	\$ -
8880	Financial Information System for California (State Operation)	\$ 1	\$ 2	\$ -	\$ -
1110	Program Expenditures (State Operations)	\$ 952	\$ 1,099	\$ 1,112	\$ 1,134
	2016-17 BCP Occupation Analysis	\$ -	\$ -	\$ 53	\$ 47

### Total Disbursements

\$ 953	\$ 1,101	\$ 1,165	\$ 1,181
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## FUND BALANCE

Reserve for economic uncertainties

\$ 1,138	\$ 988	\$ 773	\$ 542
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## Months in Reserve

12.4	10.2	7.9	5.6
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